

Administration of Barack H. Obama, 2010

Remarks on the First Anniversary of the Signing of the American Recovery and Reinvestment Act of 2009

February 17, 2010

Thank you, everybody. Thank you. Please, have a seat. Thank you very much. Thank you to Blake and Chuck, and thank you to my outstanding Vice President and his extraordinary team that have done just a great job managing this program.

I want to begin by recalling where we were 1 year ago. Millions of jobs had already been lost to the recession before I was sworn into office. Another 800,000 would be lost in the month of January. We'd later learn that our economy had shrunk by an astounding 6.4 percent in the first quarter of 2009. And economists from across the political spectrum warned that if dramatic action was not taken to break the back of the recession, the United States could spiral into another depression.

That was the backdrop against which I signed the American Recovery and Reinvestment Act in Denver, with Blake alongside. It certainly wasn't a politically easy decision to make for me or for the Members of Congress who supported it, because let's face it, no large expenditure is ever that popular, particularly at a time when we're also facing a massive deficit. But we acted because failure to do so would have led to catastrophe. We acted because we had a larger responsibility than simply winning the next election. We had a responsibility to do what was right for the U.S. economy and for the American people.

And 1 year later, it is largely thanks to the Recovery Act that a second depression is no longer a possibility. It's one of the main reasons the economy has gone from shrinking by 6 percent to growing at about 6 percent. And this morning we learned that manufacturing production posted a strong gain. So far, the Recovery Act is responsible for the jobs of about 2 million Americans who would otherwise be unemployed. These aren't just our numbers; these are the estimates of independent, nonpartisan economists across the spectrum.

Now, despite all this, the bill still generates some controversy. And part of that is because there are those, let's face it, across the aisle who have tried to score political points by attacking what we did, even as many of them show up at ribbon-cutting ceremonies for projects in their districts. *[Laughter]* But if we're honest, part of the controversy also is, is that despite the extraordinary work that has been done through the Recovery Act, millions of Americans are still without jobs. Millions more are struggling to make ends meet. So it doesn't yet feel like much of a recovery. And I understand that. It's why we're going to continue to do everything in our power to turn this economy around.

Now, the truth is, the Recovery Act was never intended to save every job or restore our economy to full strength. No bill or Government program can do that. Businesses are the true engines of growth; businesses are the engines of job creation in this country. They always will be. But during a recession, when businesses pull back and people stop spending, what Government can do is provide a temporary boost that puts money in people's pockets and keeps workers on the job, cuts taxes for small businesses, generates more demand, gives confidence to entrepreneurs that maybe they don't have to cut back right now, maybe they can hold steady in their plans and in their dreams. That's exactly what we've been able to do with the Recovery Act.

And I just want to point this out: There has never been a program of this scale, moved at this speed, that has been enacted as effectively and as transparently as the Recovery Act. I'm grateful that Congress agreed to my request that the bill include no earmarks, that all projects receive

funding based solely on their merits. And despite that, I was still concerned—Joe and I were just talking in the back—when this thing passed, we said \$787 billion—somewhere there's going to be some story of some money that ended up being misspent; \$787 billion spent out over 18 months—that's a lot of money. And it is a testimony to Vice President Biden and his team that, as Joe puts it, the dog, so far at least, hasn't barked. *[Laughter]*

This team has done an outstanding job overseeing the Recovery Act. It doesn't mean that everything's been perfect, but when you think about the scope, the magnitude of this thing, this program has run cleanly, smoothly, transparently. We brought in one of the toughest Inspector Generals in Washington as well as professionals from private industry to help run the implementation. And every American can see how and where this money has been spent just by going on www.recovery.gov.

Now, just to review: One-third of the money in this bill—one-third—was made up of tax cuts—I talked about this at the State of the Union—tax cuts for 95 percent of working Americans. I just want to say to the American people—because we see some polling where about twice as many people think we've raised taxes as lowered taxes—95 percent of you got a tax cut. Tax cuts for 95 percent of working Americans: tax cuts for small businesses, tax cuts for first-time homebuyers, tax cuts for parents trying to care for their kids, tax cuts for 8 million Americans paying for college. So far, we've provided \$120 billion in tax relief to families and small businesses.

Now, up until this point, I've never met a Republican who didn't like a good tax cut—*[laughter]*—but you remember when I mentioned this at the State of the Union, Joe, they were all kind of squirming in their seats. They weren't sure whether to clap or—*[laughter]*—or not, because most of them had voted against all these tax cuts, which I thought was—it was interesting to watch. *[Laughter]*

The second third of this bill was made up of relief for those who have been most affected by this recession. We've extended or increased unemployment benefits for more than 19 million Americans. We made health insurance 65 percent cheaper for families who lost their jobs and had to get temporary coverage through COBRA. And we gave relief to States that were struggling to balance their budgets, relief that has allowed 300,000 teachers and education workers to keep their jobs, as well as tens of thousands of cops and firefighters and first-responders and correctional officers. And Joe Biden will tell you that not one of the 50 Governors we've spoken to, Democrat or Republican, has failed to show appreciation for this relief.

And I also have to tell you that I am concerned because State budgets have not yet recovered, and you're now seeing a whole bunch of State and local governments who were able to put off layoffs last year, as the recovery money is running out, having to make some very tough decisions. And we could potentially see layoffs taking place this year because we haven't reupped in terms of providing some help to those States and local governments. That's something that we're watching and we're concerned about.

Now, the last third of the Recovery Act is what I want to talk a little bit about more today. It's the reason Blake and Doug [Chuck]* are here. That third is about rebuilding our economy on a new and stronger foundation for growth over the long term. See, we knew when we came into office that it wasn't enough simply to solve the immediate crisis before us. We knew that even before the crisis hit, we had come through what some people are calling the "lost decade," a period where there was barely any job growth and where the income of the average American household declined. This is before the recession. Over the course of the decade, the average American household, they saw their incomes decline even as the cost of health care and college

* White House correction.

tuition were skyrocketing, had reached record highs. The prosperity was built on little more than a housing bubble and on financial speculation, people maxing out on their credit cards, taking out home equity loans.

We can't go back to that kind of economy. That's not where the jobs are. The jobs of the 21st century are in areas like clean energy and technology, advanced manufacturing, new infrastructure. That kind of economy requires us to consume less and produce more, to import less and export more. Instead of sending jobs overseas, we need to send more products overseas that are made by American workers and American businesses. And we need to train our workers for those jobs with new skills and a world-class education.

Other countries already realize this. They're putting more emphasis on math and science. They're building high-speed railroads and expanding broadband. They're making serious investments in clean energy because they want those jobs.

And America cannot stand still in the face of this challenge. We can't afford to put our future on hold. So that's why a big part of the Recovery Act has been about investing in that future. Yes, it created jobs now. Yes, it created business opportunities now. But more importantly, it's laying the foundation for where we need to go.

So instead of just pouring more money into America's schools, regardless of their performance, we launched a national competition between States that only rewards success and reform, reform that raises student achievement and inspires students to excel in math and science and turns around failing schools, failing schools that steal the future of too many young Americans.

We're also making sure that our Nation has an infrastructure that's built to compete in the 21st century. So we now have projects in 31 States that are laying the ground for the first high-speed rail network in the United States of America. I mean, for years, Japan, Europe have had high-speed rail. China's got about 40 times as many projects that have been going on, on this front. We're playing catch up; we shouldn't be.

The Recovery Act has made possible over 12,500 transportation construction projects, from rebuilding highways to improving our airports. And today we announced funding for over 50 innovative transportation projects across America, everything from railroads in Appalachia to a new passenger terminal in New Orleans.

These projects will put hundreds of thousands of Americans to work. And in many cases, they already have. That's part of the reason that Chuck's here today. He's the president of a construction company in Pennsylvania, and the Recovery Act will fund about a third of the work his paving company will do this year. That's allowed him to hire two engineers and about a hundred employees. So in case people are wondering whether or not the Recovery Act's created jobs and opportunity for businesses, talk to Chuck. *[Laughter]* The new equipment he's ordered to help pave these roads will save an additional 40 jobs on an assembly line out in California. These are well-paying, long-lasting, private sector jobs that wouldn't be possible without the Recovery Act. They'll be doing the work that America needs done to stay competitive in a global economy.

In no area is this more important than in energy. Because of the Recovery Act, we have finally jump-started the clean energy industry in America and made possible 200,000 jobs in the clean energy and construction sectors.

Just take one example: Consider the investment that we've made in the kind of batteries used in hybrid and electric cars. You've heard about these, right? Before the Recovery Act was signed, 98 percent of the world's advanced battery production was done in Asian countries. The United

States did less than 2 percent of this advanced battery manufacturing that's going to be the key to these high-mileage, low-emission cars.

Then we invested in new research and battery technologies and supported the construction of 20 battery factories that will employ tens of thousands of Americans—batteries that can make enough—factories that can make enough batteries each year to power half a million plug-in hybrid vehicles. So as a result, next year—next year, 2 years after the Recovery Act—the United States will have the capacity to produce nearly 20 percent of the world's advanced batteries—from less than 2 percent to 20 percent. And we'll be able to make 40 percent of these advanced batteries by 2015, an entire new industry because of the Recovery Act.

Now, this kind of progress is happening throughout our clean energy sector. Yesterday I announced loan guarantees to break ground on America's first new nuclear powerplant in nearly three decades, a plant that will create thousands of construction jobs and 800 permanent jobs in years to come. There's the manufacturer in Philadelphia who makes energy-efficient windows. He used to be skeptical about the Recovery Act until he had to add two more shifts just to keep up with the new business it's created.

And Blake at Namaste Solar—it's based in Boulder, Colorado. One year ago, Blake gave us a tour of one of his company's solar installations on top of a museum in Denver, right before I signed the Recovery Act into law. And at the time, Blake was pretty sure that the recession would force him to lay off about half of his staff. One year later, because of the clean energy investments in the Recovery Act, he has instead added about a dozen new workers and expects to hire about a dozen more by year's end. His company continues to install solar panels all over Colorado, from the Governor's Mansion to the Denver Museum of Natural—Nature and Science.

So that's our future. That's what's possible in America. And you can argue, rightly, that we haven't made as much progress as we need to make when it comes to spurring job creation. That's part of the reason why the Recovery Act is on track to save or create another 1.5 million jobs in 2010. That's part of the reason why I expect Congress to pass additional measures as quickly as possible that will help our small-business owners create new jobs, give them more of an incentive to hire.

But for those skeptics who refuse to believe the Recovery Act has done any good, who continue to insist that the bill didn't work, I'd ask you to take that argument up with Blake and his employees. Take that argument up with Chuck and his construction workers. Take it up with the Americans who are working in those battery plants or building those new highways or teaching our children new skills, all because the Recovery Act made it possible.

So our work is far from over, but we have rescued this economy from the worst of this crisis. And slowly, in new factories and research facilities and small businesses, the American people are rebuilding a better future. And we will continue to support their efforts. We will leave our children an economy that is stronger and more prosperous than it was before.

Thank you very much, everybody.

NOTE: The President spoke at 10:26 a.m. in the South Court Auditorium at the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Blake Jones, president, Namaste Solar Electric, Inc.; Charles J. Niederriter, chief operating officer, Golden Triangle Construction Co.; and Interior Department Inspector General Earl E. Devaney, Chair, Recovery Accountability and Transparency Board. The transcript released by the Office of the Press Secretary also included the remarks of Vice President Joe Biden.

Categories: Addresses and Remarks : American Recovery and Reinvestment Act of 2009, first anniversary of signing.

Locations:

Names: Biden, Joseph R., Jr.; Devaney, Earl E.; Jones, Blake; Niederriter, Charles J.

Subjects: Aviation : Airport improvement projects; Budget, Federal : Deficit; Business and industry : Manufacturing industry :: Improvement; Business and industry : Small and minority businesses; Business and industry : Small-business hiring incentives, proposed; Commerce, international : U.S. exports, expansion; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Economic concerns; Economy, national : Economic recovery, oversight and transparency; Economy, national : Improvement; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Global competitiveness; Education : Postsecondary education :: Tax credits, expansion; Education, Department of : Race to the Top Fund; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Job training programs; Employment and unemployment : Outsourcing to foreign countries; Employment and unemployment : Unemployment insurance; Energy : Alternative and renewable sources and technologies; Energy : Alternative energy products and technologies, U.S. production; Energy : Battery technology for hybrid automobiles; Energy : Nuclear energy; Health and medical care : Health insurance, protection of coverage; Housing : First-time home purchase, tax credit; Science and technology : Research and development; Taxation : Child care expenses, deductions; Taxation : Tax relief; Transportation : High-speed rail lines, development and expansion; Transportation : Highway system, modernization efforts; Transportation : Mass transit and rail infrastructure, improvement efforts; White House Office : Vice President.

DCPD Number: DCPD201000100.